

Revised draft

Sent August 14, 1973

SECRET/SENSITIVE (XGDS)

4254-X

Tab B

25X1

TO PRIME MINISTER RIFAI OF JORDANOSD review
completed

State Dept review completed

NSC review
completed

Dear Mr. Prime Minister:

In response to your message of July 26, I now understand that His Majesty is no longer interested in acquiring the UH-1H helicopters as part of the MAP funded modernization program. With respect to other equipment, we will know better what is possible once Congress has acted on this year's aid bill. We will, in any case, look into the possibility of expediting the delivery of some of the equipment which you have already ordered and I have directed an investigation of MAP delivery schedules.

There is one other issue in this area on which I would appreciate your views. We would be prepared in principle to provide another C-130 but the cost is \$6-7 million, and funding presents a problem. In assessing this problem it would be helpful to know (a) whether as a result of your recent talks in Saudi Arabia you think the Saudis might fund this purchase and (b) whether this is of high enough priority to warrant substituting it for some other items in our FY 1974 grant program.

I have been following your impressive efforts to deal with Jordan's economic problems with great admiration. You have my best wishes.

With warm regards,

MORI/CDF
C05097956

Henry A. Kissinger

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION 4254-X

SECRET/SENSITIVE (XGDS)

August 14, 1973

MEMORANDUM FOR: GENERAL SCOWCROFT
FROM: WILLIAM B. QUANDT *w.B.2.*
SUBJECT: Message to Prime Minister Rifai

The attached package was sent back to me with a note to "add a friendly sentence for Rifai." I have done this in the revised text at Tab B, which should now be ready for dispatch to Amman.

You will also want to note the decision on page 3 (red tab) on asking Defense to compare the cost of rehabilitating Jordanian tanks in Iran or building a new facility to do the work in Jordan.

RECOMMENDATIONS: That you approve the revised text at Tab B
 to Amman.

25X1

Approve



Other

XGDS-3

DECLAS-Date Impossible to Determine.

BYAUTH-Dr. Henry A. Kissinger

SECRET/SENSITIVE (XGDS)

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION

4254-X (Revised)

SECRET/SENSITIVE (XGDS)

August 7, 1973

MEMORANDUM FOR:

DR. KISSINGER

FROM:

HAROLD H. SAUNDERS

WILLIAM B. QUANDT *62*

SUBJECT:

Jordanian Arms Requests

During the Shah's visit, and most recently in a message to you from Zayd Rifai [Tab A], several issues involving arms for Jordan have been mentioned. A report on the Jordanian military situation has been prepared by the team that visited Jordan last spring, and some of these issues are discussed in detail in that report. This memo is meant to inform you of relevant facts concerning several issues of arms for Jordan; to obtain your approval of a reply to Zayd Rifai; and to explore alternative ways of financing Jordanian arms requests.

Three Jordanian Requests

1. An additional C-130. Jordan has one C-130 and three C-119 transports. None of the C-119s is now flying and the Jordanians want to scrap the program and replace the three planes with an extra C-130, which would cost between \$6-7 million. If taken from MAP funds, this would result in delays in delivering other equipment. The Jordanians would like to trade the three C-119s for one C-130, but even if this could be done there would be shortfall of \$4-5 million to cover. Defense feels that the C-119s can be made operational and is prepared to send a team to Jordan to put them in working order. One reason for doing this is that Defense is very reluctant to provide another C-130 to Jordan now, since to do so would require a diversion from some other source. The military team that went to Jordan concluded that Jordan had no military requirement for another C-130 and would be better served by keeping the three C-119s operational, but it is not clear that the team viewed Jordan's requirements in the broader regional context. By contrast, the MAP team in Jordan and Ambassador Brown seem

XGDS - 3

DECLAS - Date Impossible to Determine.

BYAUTH - Dr. Henry A. Kissinger

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to support the Jordanian proposal to exchange C-119s for C-130s. In accordance with your instructions, this issue is included in the message to Zayd Rifai below. When we have his response, we will give you an options memo for decision.

2. Rehabilitation of Jordanian tanks in Iran. Jordan has 21 M-47 and 153 M-48 tanks that King Hussein would like to convert to diesel engines and larger guns. The process of rehabilitating these tanks is costly and requires a special facility. As the Shah said, Iran possesses such a facility and has done work on M-47s and presumably could also handle M-48s. The cost per tank for converting to diesel engines is about \$100,000. Upgunning the tanks could add another \$50,000. By comparison, a new M-60 tank, of which Jordan has 50 and is about to receive 38 more, costs \$330,000. Defense would like to see Jordan build a tank rehabilitation facility, which could be done for about \$4.5 million and would take two years to complete. Costs of rehabilitating the tanks in Jordan would be somewhat lower by comparison with Iran, but in view of the relatively small number of Jordanian tanks, it is not clear that the savings would be sufficient to justify building a facility in Jordan.

If the Shah were willing to pick up expenses within Iran as he seemed to be saying, the main costs to be covered would be for engines, gun tubes and transportation, which could come to \$20 million for all of Jordan's M-47s and M-48s. These funds could obviously not come out of FY 1974 MAP without causing serious disruption in the F-5 aircraft program. Apart from covering some local costs, the option of rehabilitating Jordanian tanks in Iran has the advantage that work could be started early. On the other hand, if Jordan were to acquire its own facility, there would be added benefits through savings on maintenance costs for tanks and wheeled vehicles, and Jordan might also earn some hard currency by working on Saudi equipment. The way to nail this down, however, is to ask Defense to do an options paper based on a careful cost-benefit analysis.

Another issue recently raised by the King with Ambassador Brown is replacements for 40 Saladin armored cars that Jordan wants to sell to Yemen. As replacements, we offered to sell 40 M-48 A-1 tanks at extremely low prices (\$22,000 per tank). These are

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gasoline powered tanks, however, and the King wants the more expensive M-48 A-3 diesel model instead (\$209,000 per tank). The M-48 A-1 could be provided from reserves, whereas the M-48 A-3 would have to be taken from our active inventory which Defense is reluctant to do. Ambassador Brown feels that we must come up with M-48 A-3s at discounted prices if we hope to have Jordan provide Yemen with the Saladins. The bureaucracy will be developing a position on this issue over the coming few days. You should be aware of it in case we receive an appeal from the King or Rifai to weigh in with Defense to get them to release M-48 A-3s as replacements for the Saladins. If the M-48 A-3s are approved, their price will exceed what the Jordanians are being paid for the Saladins and therefore will add pressure to the FY 1974 MAP budget for Jordan.

RECOMMENDATION: That General Scowcroft ask Defense to compare the costs and benefits of rehabilitating Jordanian tanks in Iran and in Jordan. On the basis of this analysis, specific proposals should be developed.

HK Approve

 Other

Will start clearance

3. Message from Rifai. Prime Minister Rifai, in his usual way, has sent you a sharp message [Tab A] complaining that equipment delivered under the MAP modernization program rarely arrives on time. Actually the program as a whole is going very well, with only a few delays caused by the fact that last year Congress appropriated less money for MAP than requested. The helicopters mentioned by Rifai as a specific case in point are apparently no longer of interest to Jordan. The King has told Ambassador Brown that he is no longer interested in receiving the UH-1H helicopters, but is adamant in wanting another C-130 and accelerated delivery of F-5Es and M-60 tanks. At some future date he wants to acquire a more advanced helicopter.

The extra C-130 is mainly a question of funding. The Jordanians themselves should be asked to make the choice of whether to cut back on other programs in order to allow funding of another C-130 from MAP. With respect to the F-5Es, accelerated delivery to

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Jordan would require delays for Iran and Saudi Arabia. We do not carry these aircraft in our own inventory, so diversions from that source cannot be made. The M-60 A-1 tank could be diverted from our own forces, over great protests from the Army, or taken from production earmarked for Israel. The tradeoffs are difficult in any event.

We do not need to respond directly to Rifai's concerns about helicopters, and we do not want to encourage further appeals of this kind. But it does seem worthwhile to address broader issues of arms supply to Jordan. Consequently, we suggest that you reply

[Redacted]

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RECOMMENDATION: That you approve the message at Tab B

[Redacted]

25X1

JK Approve

Other

Comment: Several issues are now under review within the bureaucracy involving arms for Jordan. State and Defense are likely to agree on another C-130 for Jordan, M-48 A-3 tanks as replacements for the Saladins, and will make some efforts to accelerate delivery of F-5Es and M-60 tanks. The C-130 and M-48 A-3s will involve added costs, while the F-5Es and M-60s could require diversions from other sources, such as Iran, Israel, or our own forces in the case of the M-60s. When the FY 1974 program for Jordan becomes clear and the associated costs are apparent, we will provide you with an options memo on how to handle the financing.

TP
Concurrence: R. T. Kennedy

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